USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 10/28/2004

**GAIN Report Number:** EG4024

# Egypt

# Citrus

# ANNUAL

# 2004

**Approved by:**
Asif J. Chaudhry
US Embassy

**Prepared by:**
Fred Giles & Sherif Ibrahim

**Report Highlights:**
The EU-Egyptian Partnership Agreement, which offers tariff concessions for Egyptian oranges, went into effect in June 2004. As a direct result, Egyptian orange exports are expected to remain strong next year.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Cairo [EG1]
[EG]

## Table of Contents

**Fresh Oranges**

# PSD Table

**Country:** Egypt

**Commodity:** Oranges

| | 2002 | | 2003 | | 2004 | |
|---|---|---|---|---|---|---|
| | Old | New | Old | New | Old | New |
| **Market Year Begin** | | **10/2002** | | **10/2003** | | **10/2004** |
| Area Planted | 88 | 88 | 89 | 89 | 0 | 89 |
| Area Harvested | 85 | 85 | 86 | 85 | 0 | 86 |
| Bearing Trees | 4509 | 4565 | 4583 | 4567 | 0 | 4570 |
| Non-Bearing Trees | 3815 | 3800 | 3850 | 3805 | 0 | 3850 |
| TOTAL No. Of Trees | 8324 | 8365 | 8433 | 8372 | 0 | 8420 |
| Production | 1725 | 1734 | 1742 | 1740 | 0 | 1750 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL SUPPLY** | 1725 | **1734** | 1742 | **1740** | 0 | **1750** |
| Exports | 270 | 416 | 400 | 420 | 0 | 450 |
| Fresh Dom. Consumption | 1420 | 1281 | 1305 | 1283 | 0 | 1263 |
| Processing | 35 | 37 | 37 | 37 | 0 | 37 |
| **TOTAL DISTRIBUTION** | 1725 | **1734** | 1742 | **1740** | 0 | **1750** |

**Production**

Oranges are a winter fruit well-suited to the Egyptian climate. Orange production accounts for well over half the total fruit production in Egypt. Orange cultivation is centered in two large geographic regions: the fertile Delta area and the newly reclaimed lands. About 80 percent of Egypt's total oranges production is on large farms (10-100 feddans) and 20 percent is produced by small farms (1-10 feddans) (one feddan is equivalent to .42 hectare). Navel oranges are the predominant variety. Smaller amounts of local (baladi), sweet, valencia, and other varieties are also produced. The harvest of navel oranges begins in October and is followed by other varieties in November and December. The harvest usually lasts from 4 to 5 months.

Total planted orange area in 2003 was estimated at 89,000 hectares, 1,000 hectares over the 2002 level. Total orange production in 2003 also increased slightly over the 2002 level. The increase in orange production was mainly due to the increase in average yield, 20.5 MT/hectare in 2003/2004 compared to 20.4 MT/ hectare in 2001/2002. The increase in yield was due to the absence of strong winds which usually cause damage to fruit sets. For the 2004/2005 season, both orange area and production are expected to increase slightly. This expected increase in production is due to the increased number of bearing trees and the continued absence of strong winds.

### Consumption

Oranges are the main fruit available in Egypt during the winter. Due to the fact that oranges are relatively inexpensive, Egyptians consume large amounts of oranges, both fresh and as juice. Per capita consumption of oranges is estimated at about 21 kg per year. The orange processing industry is expanding due to the increased number of companies producing orange juice. At the present time, there are six major orange juice processors in Egypt. Most companies depend on the baladi and summer varieties for processing. Domestic production is primarily destined for fresh consumption. Imported orange juice is also available in the market. Egyptian citrus grown in arid areas (reclaimed desert land) is characterized by low juice content, while fruit produced in the more humid regions, mainly along the Red Sea and Mediterranean coast, has much higher juice content.

### Trade

The Egyptian orange export season is relatively long, extending from December to April, and this is quite favorable for the export of navel oranges. Although Egypt has excellent opportunities for expanding its orange exports due to its favorable climate and strategic geographic location, exports to the European market continue to be limited by the uneven quality of Egyptian oranges as well as by competition from other suppliers such as Spain, Israel, and Morocco. European countries import baladi and summer varieties, mainly for juicing, while Saudi Arabia is currently the largest market for Egyptian table oranges. Total Egyptian orange exports in 2003/2004 increased slightly and are estimated at 420,000 MT. Orange exports to Russia, Ukraine and EU countries are the primary reason for the increase.

In 2003/04, the government reduced the export subsidy to orange exporters to $50 per MT from $75 per MT. This program was designed to increase the competitiveness of Egyptian oranges in the export market. Orange exporters, are unwilling to use the subsidy program as it requires participating exporters to hand over all foreign exchange earning to the government. Exports for 2004/05 are expected to increase to 450,000 MT as a result of the activation of the EU-Egyptian partnership agreement. The current average export price for fresh oranges is between $290 and $300/MT, the same as during the same period last season (beginning of export season). Exporters reported that prices are expected to be about $ 260/MT by the end of the 2004/2005 season, a decrease due to increase of supply.

The EU-Egyptian Partnership Agreement which was signed in June 2001 and went into effect in June 2004, offers several tariff concessions for Egyptian orange exporters. Following the implementation of the agreement, Egypt will receive a duty-free 50,000 MT TRQ for fresh or dried oranges (080510). The TRQ will increase by ten percent of the new base (50,000 MT) over three years with a cap of 60,000 MT in the final year and beyond. The current TRQ for oranges is 8,000 MT at zero duty from December through May, provided that the entry price is at least EUR 266/MT.

The following provision apply to Egypt's orange TRQ. Fresh sweet oranges which fall in headings 08051010, 08051030 and 08051050 can only be imported into the EU from December 1 to May 31 with a limit of no more than 34,000 MT at an agreed entry price of EUR 264/MT. If the price for a consignment is lower than 92 percent of the agreed entry price, the specific duty bound within the WTO will apply. Export quantities above the TRQ amount will be assessed at

60 percent of the EU's MFN tariff.

Egyptian exporters prefer to sell their production for cash on an FOB basis in order to avoid the risk of being rejected due to sanitary- phytosanitary (SPS) reasons or being in a position to face adjusted prices due to quality factors. At the present time, there are about 20 private sector, small to medium size exporters and four large orange exporters in Egypt. According to industry experts, three major companies control about 80 percent of the export market. One public sector company still active in the orange sector controls about 20 percent of the export market.

### Export Trade Matrix

## Export Trade Matrix

| | | | |
|---|---|---|---|
| **Country:** | **Egypt** | Units: | MT |
| **Commodity:** | **Oranges** | | |
| **Time period:** | | | |
| **Exports for** | **2002** | | **2003** |
| U.S. | | U.S. | |
| Others | | Others | |
| Saudi Arabia | 182,348 | Saudi Arabia | 130,978 |
| Other Arab Countries | 67,846 | Other 'Arab Countries | 65,763 |
| Russia | 75,080 | Russia | 97,666 |
| Ukraine | 26,409 | Ukraine | 44,179 |
| England | 20,597 | England | 24,183 |
| E.U | 23,618 | E.U | 35,122 |
| Malaysia | 5,531 | Malaysia | 6,383 |
| HongKong | 5,219 | Lithuania | 5,689 |
| Indonesia | 3,783 | Italy | 4,405 |
| Malta | 3,752 | Indonisia | 3,707 |
| **Total for Others** | 414183 | | 418075 |
| **Others not listed** | 1,889 | | 1,925 |
| **Grand Total** | 416072 | | 420000 |

**Tangerines**

# PSD Table

| | | | | | | |
|---|---|---|---|---|---|---|
| **Country:** | **Egypt** | | | | | |
| **Commodity:** | **Fresh Tangerines** | | | | | |
| | | **2002** | | **2003** | | **2004** |
| | Old | New | Old | New | Old | New |
| **Market Year Begin** | | **10/2002** | | **10/2003** | | **10/2004** |
| Area Planted | 39 | 40 | 40 | 40 | 0 | 40 |
| Area Harvested | 35 | 36 | 36 | 36 | 0 | 36 |
| Bearing Trees | 2150 | 2249 | 2250 | 2252 | 0 | 2253 |
| Non-Bearing Trees | 1040 | 1011 | 1012 | 1013 | 0 | 1012 |
| TOTAL No. Of Trees | 3190 | 3260 | 3262 | 3265 | 0 | 3265 |
| Production | 500 | 504 | 505 | 506 | 0 | 506 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL SUPPLY** | 500 | **504** | 505 | **506** | 0 | **506** |
| Exports | 5 | 4 | 5 | 3 | 0 | 2 |
| Fresh Dom. Consumption | 492 | 495 | 498 | 498 | 0 | 498 |
| Processing | 3 | 5 | 2 | 5 | 0 | 6 |
| **TOTAL DISTRIBUTION** | 500 | **504** | 505 | **506** | 0 | **506** |

**Production**

The major variety of tangerines grown in Egypt is the mandarin, a local “baladi” variety which is not a hybrid variety.  Mandarins are mainly produced for the local market with limited quantities for the export market. In 2003/04, total tangerine production increased slightly to 506,000 MT, as compared to 504,000 MT in 2002/2003. This increase is attributed mainly to the increase in the number of bearing trees in addition to the absence of strong winds. The mandarin production season is shorter than the orange season. The marketing season begins in November/December but ends in February/March, about two months earlier than the orange season.

**Consumption**

Despite the predominance of orange production, many Egyptian consumers prefer mandarins to oranges because they are easier to eat. During the 2003/04 marketing season (November-October), wholesale prices averaged L.E. 0.90 per kg, and retail prices were around LE 1.30 per kg. In 2003/2004, total mandarin consumption increased to 503,000 MT compared to 500,000 MT in 2002/2003.

**Trade**

All mandarin exports are handled by the private sector. Mandarins do not require a special cleaning or waxing process. The major export market for Egyptian mandarins is the Gulf countries. In the 2003/2004 season, total Egyptian mandarin exports decreased to approximately 3,000 MT, compared to 4,000 MT exported in 2002/2003. The average export price for mandarins in the 2003/2004 season was approximately $250 per MT as compared to $257 per MT in the 2002/03 season at the same period of time.

**Fresh Citrus, Other Stocks**

# PSD Table

| | | | | | | |
|---|---|---|---|---|---|---|
| **Country:** | **Egypt** | | | | | |
| **Commodity:** | **Fresh Citrus, Other** | | | | | |
| | | **2002** | | **2003** | | **2004** |
| | Old | New | Old | New | Old | New |
| **Market Year Begin** | | **10/2002** | | **10/2003** | | **10/2004** |
| Area Planted | 18 | 18 | 19 | 19 | 0 | 19 |
| Area Harvested | 16 | 17 | 17 | 17 | 0 | 17 |
| Bearing Trees | 775 | 810 | 815 | 812 | 0 | 815 |
| Non-Bearing Trees | 625 | 590 | 595 | 590 | 0 | 589 |
| TOTAL No. Of Trees | 1400 | 1400 | 1410 | 1402 | 0 | 1404 |
| Production | 355 | 370 | 372 | 372 | 0 | 373 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL SUPPLY** | 355 | **370** | 372 | **372** | 0 | **373** |
| Exports | 19 | 20 | 22 | 21 | 0 | 21 |
| Fresh Dom. Consumption | 317 | 331 | 330 | 331 | 0 | 332 |
| Processing | 19 | 19 | 20 | 20 | 0 | 20 |
| **TOTAL DISTRIBUTION** | 355 | **370** | 372 | **372** | 0 | **373** |

**Production**

Sweet and sour limes and bitter oranges are the major types of other citrus produced in Egypt. Limes, known as "lamuun" in Arabic, account for most of this category. Lime trees produce throughout the year, with the greatest output occurring in the late summer months of September and October. Egyptian consumers have a strong preference for limes. Fresh sliced limes often are served with meals. A heavily sweetened, fresh lime juice is also very popular, as are pickled limes which accompany many dishes.

Most of the production of bitter orange is processed into jelly and marmalade. Reliable statistical data on the production and marketing of bitter oranges is not available.
Grapefruit is another citrus fruit that is not very popular in Egypt. Most of the grapefruit grown are seedless varieties. The area currently under cultivation is estimated at approximately 220

hectares, mainly grown to service hotels, restaurants and other facilities that cater to the tourist industry. Unless export demand increases, grapefruits are not expected to become a significant citrus crop.